

Adopted	Rejected
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COMMITTEE REPORT

YES:	17
NO:	2

MR. SPEAKER:

Your Committee on **Ways and Means**, to which was referred House Bill 1622, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:

- 1 Page 1, delete lines 1 through 17.
- 2 Delete pages 2 through 3.
- 3 Page 4, delete lines 1 through 32.
- 4 Page 4, line 34, delete "(a) With respect to" and insert "(a)
- 5 **Notwithstanding IC 6-2.5-2-2**, with respect to".
- 6 Page 4, line 35, reset in roman "the sale of gasoline".
- 7 Page 4, line 35, after "which" insert "**that**".
- 8 Page 4, line 35, reset in roman "is dispensed from a metered pump,
- 9 a retail".
- 10 Page 4, reset in roman lines 36 through 38.
- 11 Page 4, line 39, reset in roman "(1) the".
- 12 Page 4, line 39, after "taxes;" insert "**lesser of the:**
- 13 **(A) price per unit before the addition of state and federal**
- 14 **taxes; or**
- 15 **(B) product of:**
- 16 **(i) one dollar and seventy-seven cents (\$1.77); multiplied**

- 1 by
- 2 (ii) the gallon conversion index;
- 3 rounded to the nearest one cent (\$0.01);".
- 4 Page 4, reset in roman lines 40 through 42.
- 5 Page 5, reset in roman lines 1 through 2.
- 6 Page 5, between lines 2 and 3, begin a new paragraph and insert:
- 7 "(b) Notwithstanding IC 6-2.5-2-2, with respect to the sale of
- 8 special fuel that is dispensed from a metered pump, unless the
- 9 purchaser provides an exemption certificate in accordance with
- 10 IC 6-2.5-8-8, a retail merchant shall collect, for each unit of special
- 11 fuel sold, state gross retail tax in an amount equal to the product
- 12 of, rounded to the nearest one-tenth of one cent (\$0.001):
- 13 (1) the lesser of:
- 14 (A) the price per unit before the addition of state and
- 15 federal taxes; or
- 16 (B) the product of:
- 17 (i) one dollar and eighty-eight cents (\$1.88); multiplied
- 18 by
- 19 (ii) the gallon conversion index;
- 20 rounded to the nearest one cent (\$0.01); multiplied by
- 21 (2) six percent (6%).
- 22 Unless the exemption certificate is provided, the retail merchant
- 23 shall collect the state gross retail tax prescribed in this section even
- 24 if the transaction is exempt from taxation under IC 6-2.5-5.".
- 25 Page 5, line 3, after "(b)" insert "(c)".
- 26 Page 5, line 3, strike "special fuel or".
- 27 Page 5, line 3, strike "which" and insert "that".
- 28 Page 5, line 6, strike "special fuel or".
- 29 Page 5, delete lines 15 through 42, begin a new paragraph and
- 30 insert:
- 31 "(d) For purposes of this section, the gallon conversion index is
- 32 the following:
- 33 (1) One (1), if the unit of measure by which gasoline or special
- 34 fuel is sold is a gallon.
- 35 (2) Five-tenths (0.5), if the unit of measure by which gasoline
- 36 or special fuel is sold is one-half (1/2) gallon.
- 37 (3) Twenty-six thousand four hundred seventeen one hundred
- 38 thousandths (0.26417), if the unit of measure by which

1 gasoline or special fuel is sold is a liter.

2 **(4) An equivalent gallon conversion index specified by the**
 3 **department if the unit of measure by which gasoline or special**
 4 **fuel is sold is not described in subdivision (1), (2), or (3).**

5 SECTION 2. IC 6-2.5-7-14, AS AMENDED BY P.L.176-2006,
 6 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 UPON PASSAGE]: Sec. 14. (a) Before June 10 and December 10 of
 8 each year, the department shall determine and provide to:

9 (1) each refiner and terminal operator and each qualified
 10 distributor known to the department to be required to collect
 11 prepayments of the state gross retail tax under this chapter; and

12 (2) any other person that makes a request;

13 a notice of the prepayment rate to be used during the following six (6)
 14 month period. The department shall also have the prepayment rate
 15 published in the June and December issues of the Indiana Register.

16 (b) In determining the prepayment rate under this section, the
 17 department shall use the most recent retail price of gasoline available
 18 to the department.

19 (c) The prepayment rate per gallon of gasoline determined by the
 20 department under this section is the amount per gallon of gasoline
 21 determined under STEP FOUR of the following formula:

22 STEP ONE: Determine the statewide average retail price per
 23 gallon of gasoline, excluding the Indiana and federal gasoline
 24 taxes and the Indiana gross retail tax.

25 STEP TWO: Determine the product of the following:

26 (A) The **lesser of the following:**

27 (i) The STEP ONE amount.

28 (ii) **For prepayments made after June 30, 2007, one**
 29 **dollar and seventy-seven cents (\$1.77).**

30 (B) The Indiana gross retail tax rate.

31 (C) Ninety percent (90%).

32 STEP THREE: Determine the lesser of:

33 (A) the STEP TWO result; or

34 (B) the product of:

35 (i) the prepayment rate in effect on the day immediately
 36 preceding the day on which the prepayment rate is
 37 redetermined under this section; multiplied by

38 (ii) one hundred twenty-five percent (125%).

1 STEP FOUR: Round the STEP THREE result to the nearest
2 one-tenth of one cent (\$0.001).

3 SECTION 3. [EFFECTIVE UPON PASSAGE] (a) **IC 6-2.5-7-3, as**
4 **amended by this act, applies to retail transactions that occur after**
5 **June 30, 2007.**

6 (b) As used in this SECTION, "department" refers to the
7 department of state revenue.

8 (c) The department may adopt temporary rules in the manner
9 provided for the adoption of emergency rules under IC 4-22-2-37.1
10 to implement IC 6-2.5-7-3, as amended by this act. The temporary
11 rules must provide a method for providing a credit or a refund of
12 any difference between the prepayment amounts paid or deposited
13 with the department by any person on the purchase or shipment of
14 gasoline in a reporting period ending before July 1, 2007, and the
15 gross retail rate imposed by IC 6-2.5-7-3, as amended by this act,
16 on the retail sale of the gasoline in a reporting period beginning
17 after June 30, 2007.

18 (d) A rule adopted under this SECTION expires on the earliest
19 of the following:

20 (1) The date a rule is adopted by the department under
21 IC 4-22-2 that repeals, amends, or supersedes the temporary
22 rule.

23 (2) The date another temporary rule is adopted under this
24 SECTION.

25 (3) The date specified in the temporary rule.

26 (4) **July 1, 2008.**

27 SECTION 4. **An emergency is declared for this act."**

28 Delete pages 6 through 9.

29 ReNUMBER all SECTIONS consecutively.

(Reference is to HB 1622 as introduced.)

and when so amended that said bill do pass.

Representative Crawford